

SECURITY INFORMATION

**CONFIDENTIAL**

NAVAL CONSTRUCTION

I. Conclusions.

1. The Soviet Union may be expected to seize the majority of Western European naval construction if war commences in mid-1952.
2. The Soviet Union may be expected to complete most of the seized tonnage by mid-1954.
3. It is not expected that any new construction laid down in seized shipyards will be a factor by mid-1954.
4. Construction in the USSR will be much greater than the combined total of Western European and the Satellites during the period from mid-1952 to mid-1954.
5. Construction in the USSR may be expected to increase by mid-1954.

**CONFIDENTIAL**

SECURITY INFORMATION

**CONFIDENTIAL****II. Discussion****1. Production**

The estimate of naval construction in the USSR and her Satellites is based upon the latest information concerning actual construction now taking place. Since there is no indication to the contrary, it is believed that the present trend in their construction will continue. It will be noted in the attached table (Section III), however, that an increase is expected in Soviet naval construction by mid-1954. This assumption is based upon the belief that the present construction in the USSR is not truly representative of any real post war program. Certain modern types are expected to begin construction prior to mid-1954, and to be built in addition to the types now under construction.

As indicated by the attached table (Section III), there is little naval construction in the Satellite countries. In fact the construction in Romania accounts to four minesweepers (AM) which were laid-down by the Germans during 1944. No major combatant has been laid-down in any Satellite shipyard since the war. Satellite shipyards have been concerned previously with repairs and construction of minor combatants and merchant vessels. It is expected that this present trend will continue.

The estimate of naval construction, as it concerns Western Europe, is based upon berth construction now underway and projected programs which have been officially reported. Of present and projected programs, only 7,700 tons will have been completed by mid-1952. The remainder of the Western European post war naval construction can be expected to accrue to the Soviet Union. Assuming that this tonnage will be completed on the prescribed projected dates, the majority of the construction will be operational by mid-1954.

It is not believed that any major naval types laid-down in Western Europe after mid-1952 will be completed by mid-1954. In fact, it is doubtful whether there will be any construction of major combatant types in the captured shipyards. The capacity of the seized shipyards is expected to be utilized as follows:

**CONFIDENTIAL**

- (a) Repair both naval and merchant vessels.
- (b) Construction of minor combatants.
- (c) Construction and conversion of merchant vessels.

It is not believed that materials and manpower will be a primary difficulty in the picture of naval construction as presented in the attached table (Section III). The estimated construction is considerably below maximum shipyard capacity. It is assumed that the necessary materials to complete Western European naval programs will have been already ear-marked by mid-1952. The Soviet Union and her Satellites are believed able to maintain their present trend of construction indefinitely. The materials for the expected increase in Soviet construction can be obtained in Western Germany, if that is necessary. A conservative estimate of Germany's effort in submarines alone during 1944 is around 300,000 tons.

## 2. Consumption

Naval vessels are not "consumed" at a rate sufficient to warrant comment. The utilization of materials for naval construction may be expected to have an impact on the rest of the economy; the extent of this impact can not be judged.

Next 4 Page(s) In Document Exempt